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IN THE

SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1984

ESTATE OF VIRGINIA KREMM,
Petitioner,

v.

COMMISSIONER OF PATENTS AND TRADEMARKS,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF AMICUS CURIAE THATCHER GLASS MANUFACTURING COMPANY IN SUPPORT OF RESPONDENT, COMMISSIONER OF PATENTS AND TRADEMARKS

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THE INTEREST OF AMICUS CURIAE THATCHER GLASS MANUFACTURING COMPANY

Thatcher Glass Manufacturing Company (hereinafter "Thatcher") submits this brief Amicus Curiae (with the consent of the parties) in support of the Respondent, the Commissioner of Patents and Trademarks (hereinafter "Commissioner"). For the reasons set forth below, Thatcher urges that the decision of the Court of Appeals for the Federal Circuit (hereinafter "Federal Circuit") be sustained and the petition for writ of certiorari submitted by the es-

tate of Virginia Kremm (hereinafter "Kremm") should be denied.

As correctly stated by Kremm in that portion of its brief entitled "Statement of Case", the origins of this matter are in a civil action brought in the United States District Court for the Northern District of Illinois by Virginia Kremm against Thatcher for infringement of U.S. Patent No. 3,171,729 to Andersen (hereinafter the "Andersen patent"). The Petitioner, Kremm, is the owner of the Andersen patent. Thatcher challenged the validity of the Andersen patent by filing a Request for Reexamination in view of U.S. Patent No. 2,811,814 to Winder (hereinafter "Winder"). The District Court stayed that action pending the outcome of the reexamination proceeding. Pursuant to 35 U.S.C. §303(a), the Commissioner granted Thatcher's request for reexamination, finding that a "substantial new question of patentability" existed as to all claims of the Andersen patent. Thatcher is, therefore, the Requester in the reexamination of the Andersen patent, which forms the basis of Kremm's petition for certiorari.

In the first stage of the reexamination proceeding, the Commissioner found all claims of the Andersen patent to be unpatentable in view of the Winder patent. Kremm appealed the Commissioner's rejection of the Andersen patent to the Board of Appeals of the U.S. Patent and Trademark Office (hereinafter "Board of Appeals"). Thatcher attempted to file a brief before the Board of Appeals. That brief was refused by the Board of Appeals and returned to Thatcher without being accepted for placement in the reexamination file. The Board of Appeals affirmed the Commissioner's rejection of the Andersen patent in view of Winder.

Kremm appealed the Board of Appeals' decision to the Federal Circuit. In the Federal Circuit, Kremm argued, in part, that all doubts with respect to patentability of its claims must be resolved in its favor under either (1) a purported judicially recognized "rule of doubt" or (2) as a part

of the statutory presumption of validity under 35 U.S.C. §282. Thatcher attempted to file an *amicus* brief in response to Kremm's arguments. Because of Kremm's objection to Thatcher's filing of an *amicus* brief, it was refused consideration by the Federal Circuit. The Federal Circuit affirmed the decision of the Board of Appeals.

Thus, prosecution of the reexamination proceeding has been completely *ex parte*. Although Kremm complains in its petition for certiorari that the Patent and Trademark Office and the Board of Appeals have adopted Thatcher's position, Thatcher has filed but a single document—its initial request for reexamination of the Andersen patent. Nevertheless, Thatcher concurs completely with the reasoning and conclusions of the Commissioner, the Board of Appeals and the Federal Circuit.

SUMMARY OF THE ARGUMENT

For the following reasons, Thatcher submits that Kremm's petition for certiorari should be denied:

1. For the first time, Kremm has raised the issue of whether its patent property rights have been taken without due process of law. Because this issue was not presented for decision by either the Federal Circuit or the Board of Appeals, Kremm is estopped from raising its "due process" argument in this Court.

2. Although Kremm asserts that a conflict exists between the decisions of the Federal Circuit as to the evidentiary standard to be applied, no such conflict exists. The Federal Circuit has acted according to its legislative purpose in resolving different issues relating to the statutory presumption of validity, claim interpretation in a reexamination proceeding, and use of discretionary power by the District Courts in relation to the reexamination proceeding.

3. The Federal Circuit has clearly indicated that, regardless of the evidentiary standard applied, the claims of the Andersen patent are unpatentable in view of the

Winder patent. Therefore, in order for Kremm to prevail, this Court must conduct a *de novo* review of the patentability of Andersen. Kremm is not entitled to such a *de novo* review and conducting such a *de novo* review is not the function of this Court.

4. The record in this case conclusively demonstrates that if the Winder patent had been considered by the Patent Office when examining the original Andersen application, the Andersen patent would never have issued. Kremm should not be allowed to obtain through reexamination a valid patent that would have never issued but for the failure of the Patent Office to consider an invalidating reference.

ARGUMENT

I. REASONS FOR DENYING THE PETITION

A. *KREMM FAILED TO RAISE THE "DUE PROCESS" ISSUE BEFORE EITHER THE BOARD OF APPEALS OR THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT.*

For the first time, Kremm asserts in its petition for certiorari that its patent rights have been taken without due process of law. Since this issue was not presented to either the Board of Appeals or the Federal Circuit, Kremm attempts to bootstrap the issue into its petition by reference to the argument made before the Federal Circuit concerning the appropriate standard of proof.

In particular, Kremm states in its Petition:

> By failing to require that the Winder Patent meet the same standard of clear and convincing evidence of invalidity as would be required in Federal Court, Kremm contends that its patent property rights through reexamination have been taken without due process of law. (Petition, page 12.)

The Petitioner is not entitled to review of an issue not presented for decision to the Federal Circuit. Before the Federal Circuit, Kremm argued *only* that the Board of Appeals erred in refusing to resolve all doubts with respect to the patentability of the claims of the Andersen patent under either (1) the "rule of doubt" or (2) as part of the statutory presumption of validity under 35 U.S.C. §282. Kremm never argued that its patent rights were taken without due process of law under the Fifth Amendment, Eleventh Amendment or otherwise; nor did the Federal Circuit ever rule on such an issue. Instead, the Federal Circuit held that, contrary to Kremm's assertions otherwise, the premise that doubts as to patentability should be resolved in favor of a patent applicant is now defunct. As to Kremm's presumption of validity argument, the Federal Circuit unequivocally stated:

> The operation of the presumption of validity has been analyzed in numerous opinions of this court wherein we have held that, in the face of a challenge to validity based on prior art not previously considered by the PTO, the presumption remains but may be more easily overcome. While we agree with appellant [Kremm] that reexamination should not be allowed to be used as a tool to circumvent the burden of proof placed on an alleged infringer during litigation, we see no danger in this case of that having happened. The rejection is based on art not previously considered by the office [the Winder patent] which, as indicated, may make the presumption easier to overcome.

The constitutional purpose of this Court is to review and correct errors of law made by a lower tribunal in either its interpretation or application thereof. Because the Federal Circuit was never presented with Kremm's due process issue, it committed no error in failing to pass on it and Kremm has effectively waived its right to any review of that issue.

B. *KREMM IS NOT ENTITLED TO A DE NOVO REVIEW OF THE PRIOR ART SUBMITTED IN THE REQUEST FOR REEXAMINATION.*

In its petition, Kremm notes that in the examination of an original or a reissue application, the Commissioner need only establish the unpatentability of the claims by a "preponderance of the evidence". Kremm further notes that, under 35 U.S.C. §282, an issued patent is presumed valid and, to overcome this presumption of validity, the challenging party must produce "clear and convincing evidence" thereof. Kremm then asserts that the failure to impart the presumption of validity to a patent involved in reexamination denies the patentee the benefit of the clear and convincing evidence test and that this is contrary to the statute. In particular, Kremm raises the following question:

> Whether the statutory presumption of validity applies to an issued patent undergoing involuntary reexamination, thereby requiring proof of invalidity by a clear and convincing evidence standard rather than a preponderance of the evidence (*prima facie* case) standard applicable in original and reissue application proceedings. (Petition, page 10.)

Kremm, of course, answers this question in the affirmative, asserting that it was denied the benefit of the more stringent clear and convincing standard. In addition, Kremm asserts that the decisions of the Federal Circuit on this question are in apparent conflict, with the decision in this case only adding to the confusion.

As to the "apparent conflict" between the decisions of the Federal Circuit relating to the operation of the statutory presumption of validity, it is respectfully submitted that no such conflict exists. Kremm cites the case of *Gould v. Control Laser Corp.*, 705 F.2d 1340, 217 U.S.P.Q. 985 (Fed. Cir. 1983) as showing the Federal Circuit handling a reexamination proceeding under the evidentiary standard of a "Federal Court"—presumably the clear and convincing stan-

dard. Kremm then cites the case of *In re Yamamoto*, 740 F.2d 1569, 222 U.S.P.Q. 935 (Fed. Cir. 1984) as showing the Federal Circuit handling a reexamination proceeding under the evidentiary standard of an original or reissue application—the preponderance of the evidence standard.

However, neither of these cases address the question raised by Kremm. *Gould v. Control Laser Corp.*, *supra*, concerned whether the grant of a stay by a District Court enabling the issue of patent validity to be determined through a reexamination proceeding in the Patent Office constituted an abuse of the District Court's discretionary powers. In holding that it did not, the Federal Circuit made no determination of whether the statutory presumption of validity should apply in a reexamination proceeding.

In *In re Yamamoto*, *supra*, the Federal Circuit held that the standard of *claim interpretation* applicable to reissue proceedings is also the correct standard of claim interpretation to be applied in reexamination proceedings. More specifically, *In re Yamamoto* stands for the proposition that because the patentee has the opportunity in the reexamination proceeding to amend his claims as does the patentee in the reissue proceeding, the claims in both proceedings are to be given their broadest reasonable interpretation. It is to be noted that in the present case, Kremm likewise had the opportunity to amend the claims of the Andersen patent.

Kremm's attempt to develop a conflict between these two unrelated decisions of the Federal Circuit is misplaced. The Federal Circuit was "created and chartered with the hope and intent that stability and uniformity would be achieved . . . ." *Smith Corp. v. United States*, 690 F.2d 1368, 1369 (Fed. Cir. 1982). The cases cited by Kremm as demonstrating a conflict are simply two cases concerning two different issues, each of which resolved their respective issue in keeping with the purpose of the Federal Circuit. To juxtapose one holding against the other is to compare apples and oranges. Because neither of the cited cases is concerned with

the issue now raised by Kremm, it can hardly be said that a conflict exists between these decisions of the Federal Circuit. Certainly, there is no conflict sufficient to warrant review thereof by this Court.

As to Kremm's contention that it was denied the benefit of the more stringent evidentiary standard, the Federal Circuit acted directly and correctly. As noted above, the Federal Circuit stated:

> While we agree with appellant that reexamination should not be allowed to be used as a tool to circumvent the burden of proof placed on an alleged infringer during litigation, we see no danger in this case of that having happened.

Clearly, the Federal Circuit was convinced of the invalidity of the Andersen patent *regardless of the evidentiary standard applied.* This being so, in order for Kremm to prevail, this Court must not only determine that, as a matter of law, the Commissioner has applied the "incorrect" evidentiary standard in this reexamination, but it must also determine that the Federal Circuit's decision as to the patentability of the claims of Andersen is clearly erroneous. Such a determination by this Court would necessitate a *de novo* review of the Andersen patent in view of the Winder patent. It is respectfully submitted that this is not the function of this Court.

GRANTING A PATENT TO KREMM WOULD BE CONTRARY TO THE INTENT OF THE PATENT STATUTE.

The concluding sentence of that portion of Kremm's petition entitled "REASONS FOR GRANTING THE WRIT" reads as follows:

> It is KREMM's belief that had the standard of clear and convincing evidence been properly applied by the Patent and Trademark Office, the Winder Patent could not have

> met this standard and the Andersen Patent would have been found valid as issued. (Petition, page 14.)

Thatcher respectfully submits that, assuming this statement were true, it presents an undesirable condition contrary to the intent of the patent laws.

The Winder patent was issued on November 5, 1957. The original patent application which matured into the Andersen patent was filed on July 27, 1961, almost four years after the issuance of the Winder patent. Even so, the Winder patent was not considered by the Patent Office when examining the original Andersen patent application. In this reexamination proceeding, all the claims of the Andersen patent have been declared unpatentable in view of the Winder patent by the Commissioner, the Board of Appeals and the Federal Circuit. Thus, the record of this reexamination proceeding conclusively demonstrates that had the Winder patent been considered by the Examiner when examining the Andersen patent application in 1961, the Andersen patent application would have been rejected under the Patent Office's "preponderance of the evidence standard" as being unpatentable in view of Winder.

However, in this case the Winder patent was brought to the attention of the Patent Office only by means of the reexamination proceeding initiated by Thatcher as a defendant in an infringement action. Kremm, as the plaintiff in this infringement action, now contends that Winder should be held to the higher standard of clear and convincing evidence and that it cannot meet this standard. Yet, to now issue a reexamination certificate confirming the Andersen patent as being valid over Winder because Winder could not allegedly meet the clear and convincing evidence standard would be to do through reexamination what Andersen could not have done at the original application stage. Whereas Andersen could not have overcome Winder at the application stage under the preponderance of the evidence standard, Kremm's argument would grant the Andersen

patent over Winder through reexamination by applying the more stringent clear and convincing evidence standard. Stated differently, although the Andersen patent should have never issued in the first place, the failure of the Patent Office to consider Winder in the original application would not only allow Andersen's patent to issue, but further allow it to be made stronger through reexamination by upholding the Andersen patent in view of a reference it could not have overcome in the original application.

Such a different result is neither explained nor justified by Kremm's assertion that it was "involuntarily" drawn into the reexamination proceeding. As a plaintiff in the Northern District of Illinois alleging infringement of the Andersen patent, Kremm certainly foresaw the possibility that validity of the Andersen patent would be challenged.

Certainly, it is the intent of the Patent Statute to grant valid patents and to reject invalid patents. The record in this case conclusively demonstrates that the Andersen patent would never have issued if the Winder reference had been before the examiner of the original application. To grant a reexamination certificate confirming the Andersen patent would allow Kremm to prevail in the present reexamination and possibly in future litigation on a patent that never should have issued in the first place. This is clearly contrary to the intent of the patent statute.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that Kremm's Petition For Certiorari should be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

It is hereby certified that I have this day served copies of the foregoing "BRIEF OF AMICUS CURIAE THATCHER GLASS MANUFACTURING COMPANY IN SUPPORT OF RESPONDENT, COMMISSIONER OF PATENTS AND TRADEMARKS" upon Petitioner and Respondent in this proceeding by causing such copies to be deposited in the United States mail, first class, postage prepaid, addressed as follows:

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MS. JEAN REECER
The Officer of the Solicitor
General
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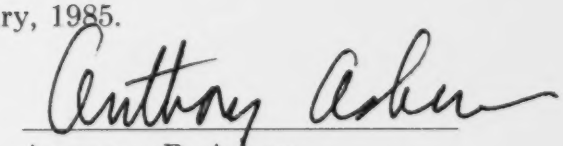
Washington, DC 20530

This 14th day of February, 1985.



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